

State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

Representatives Present During the Inspection:					
Company	Gregg Galecki Environmental Coordinator				
OGM	Karl Houskeeper Environmental Scientist III				

Inspection Report

Permit Number:	C0070005			
Inspection Type:	PARTIAL			
Inspection Date:	Wednesday, August 22, 2007			
Start Date/Time:	8/22/2007 8:45:00 AM			
End Date/Time:	8/22/2007 2:30:00 PM			
Last Inspection:	Friday, July 27, 2007			

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 88 Deg. F. InspectionID Report Number: 1378

Types of Operations

Accepted by: dhaddock

Permitee: CANYON FUEL COMPANY LLC Operator: CANYON FUEL COMPANY LLC

Site: SKYLINE MINE

Address: HC 35 BOX 380, HELPER UT 84526

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

10,374.00	Total Permitted		
79.12	Total Disturbed		
	Phase I		
	Phase II		
	Phase III		

Mineral Ownership

✓ Federal ✓ Underground ✓ State Surface County ☐ Loadout Processing Fee Other □ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The following permit conditions have been met or are being met:

- 1) Water Monitoring data is being submitted in an electronic format to the Division.
- 2) Canyon Fuel Co. must submit all existing studies and data for the update of the PHC as a result of the mine inflows.
- 3) Canyon Fuel Co. must submit cumulative monthly flow data for discharges into Electric Lake and Eccles Creek.

Inspector's Signature:

Date

Wednesday, August 22, 2007

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Inspection Continuation Sheet

Permit Number: C0070005 Inspection Type: PARTIAL

Inspection Date: Wednesday, August 22, 2007

Page 2 of 3

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale	✓		\checkmark	
2.	Signs and Markers	✓		V	
3.	Topsoil				
4.a	Hydrologic Balance: Diversions	✓		✓	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	✓		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures				
4.d	Hydrologic Balance: Water Monitoring	✓		✓	
4.e	Hydrologic Balance: Effluent Limitations				
5.	Explosives				
6.	Disposal of Excess Spoil, Fills, Benches				
7.	Coal Mine Waste, Refuse Piles, Impoundments	✓		V	
8.	Noncoal Waste				
9.	Protection of Fish, Wildlife and Related Environmental Issues				
10.	Slides and Other Damage				
11.	Contemporaneous Reclamation				
12.	Backfilling And Grading				
13.	Revegetation				
14.	Subsidence Control				
15.	Cessation of Operations				
16.a	a Roads: Construction, Maintenance, Surfacing				
16.b	Roads: Drainage Controls				
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations				
19.	AVS Check				
20.	Air Quality Permit				
21.	Bonding and Insurance				
22.	Other				

Permit Number: C0070005 Inspection Type: PARTIAL

Inspection Date: Wednesday, August 22, 2007

Page 3 of 3

1. Permits, Change, Transfer, Renewal, Sale

The following permit conditions have been met or are being met:

1) Water Monitoring data is being submitted in an electronic format to the Division.

- 2) Canyon Fuel Co. must submit all existing studies and data for the update of the PHC as a result of the mine inflows.
- 3) Canyon Fuel Co. must submit cumulative monthly flow data for discharges into Electric Lake and Eccles Creek.

2. Signs and Markers

The Mine ID signs are at the point of public access to the permit area and contain the required information. All other signs and markers are in accordance with the coal rules.

4.a Hydrologic Balance: Diversions

The culvert inlet from the upper pad area at the loadout (High Ash Coal Storage Area) has been repaired.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The facility and load out ponds are having their water level decreased in preparation to be cleaned.

4.d Hydrologic Balance: Water Monitoring

Second quarter 2007 water monitoring is in the EDI website, but has not been uploaded. Water monitoring is current.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile appeared stable with no visible hazards. No smokers were present on the pile during the inspection.